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SUBJECT: PM MANNING REITERATES TT'S POSITION ON PETROCARIBE
AND ALBA

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11. (SBU) Summary: Prime Minister Patrick Manning reiterated January 2 that Trinidad and Tobago is unlikely to become fully involved in PetroCaribe, and continues to prefer the Free Trade Area of the Americas (FTAA) to Hugo Chavez' Bolivarian Alternative for the Americas (ALBA). This was in response to a broad statement made by Chavez at the recent Fourth PetroCaribe Summit in Cienfuegos, Cuba that he wanted TT to become "fully involved" in PetroCaribe. Antigua and Barbuda PM Baldwin Spencer reportedly also insisted at the summit that TT's role in regional energy security be acknowledged. TT was represented at the Summit by its Ambassador to Caracas, Yvonne Gittens-Joseph, who said only that a dialogue between TT and Venezuela on the topic would be useful. Meanwhile, TT's bilateral energy cooperation proposals to Venezuela remain on hold, according to PM Manning because of the opposition of Venezuela's Energy Minister, Rafael Ramirez. End Summary.

TT Non-Committal to Chavez' Suggestion

12. (U) At the Fourth PetroCaribe Summit in Cuba in late December, Hugo Chavez reportedly stated that he wanted TT to become "fully involved" in PetroCaribe, without offering any further elaboration. Earlier, on December 21, Antiguan PM Baldwin Spencer had also stated that TT should have a role in PetroCaribe, given its vital contribution to Caricom member states as well as the ongoing work of the Caricom Energy Task Force. TT's representative to the Summit, its Ambassador to Caracas Yvonne Gittens-Joseph, made a non-committal reply that dialogue between Venezuela and TT would be useful, and TT's Energy Minister Conrad Enill said December 28 that TT as yet had no official position on Chavez' suggestion. TT, a traditional supplier of oil and natural gas to Caricom countries, is the only Caricom member state besides Barbados not to have signed on to PetroCaribe.

Prime Minister Manning Comments

13. (U) According to a report in the business section of the January 3 Daily Express, PM Manning made some remarks after touring the newly completed Hyatt Regency Hotel, during which he said that a bilateral agreement between TT and Venezuela on energy cooperation was on hold, specifically, that a proposal by TT to develop natural gas production from a field that straddles the two nations' maritime boundaries was being held up by the opposition of Venezuelan Energy Minister Rafael Ramirez. Manning added that Hugo Chavez was supposed

to have visited TT within a month after the last round of talks, which took place in Caracas in March 2007, but had never come, thus "the ball is by no means in the court of Trinidad and Tobago."

Doubts about ALBA

¶4. (U) Manning further commented that the PetroCaribe arrangement was part of a larger push by Chavez to compete with the established Western Hemisphere system, specifically, that Chavez was pushing the Bolivarian Alternative for the Americas (ALBA) as a rival to the FTAA. Noting that TT had lobbied its Caricom colleagues to make Port of Spain the headquarters of the FTAA, Manning broadly implied that signing on to PetroCaribe would also implicitly endorse ALBA, which would be directly contradictory to his support for FTAA. By his comments, Manning indicated that there had been no fundamental change in TT's positions on PetroCaribe and ALBA.

TT Leery of PetroCaribe

¶5. (SBU) TT, a traditional supplier of gas and petroleum products to other Caricom member states, has never been particularly enthusiastic about PetroCaribe, which allows participating Caricom states to defer payment of 40 percent of their oil bill for 25 years at 1 percent interest. TT reportedly informed a number of its neighbors that if they stopped buying refined products from TT that TT would find alternate customers, and could no longer guarantee regional energy security.

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Previous Chill Continues

¶6. (SBU) TT and Venezuela have been unable to reach agreement on a number of energy-related issues. In private, PM Manning told USG visitors in 2006 that TT would like to refine more Venezuelan crude oil at its refinery, but Chavez was apparently not interested in doing so. When the PM was in Caracas in March of 2007, he was very upbeat about the prospects for energy cooperation. However, when he declined to endorse ALBA at a press conference following the round of talks, his invitation to an energy conference of South American nations on Margarita Island was abruptly rescinded on the pretext that an invitation to a non-South American country had to be unanimously approved, and that his had not been approved. Comment: Manning's lack of enthusiasm for ALBA also appears to have soured the prospects for further energy cooperation. End Comment.

¶7. (U) TT had been hoping to find a way to begin exploiting an undersea gas field that straddles the maritime boundary between itself and Venezuela. Venezuela lacks the infrastructure to process and liquefy natural gas itself, and is likely to have difficulty finding investors even if it decides to construct the necessary facilities and infrastructure in the future. Manning's offer of technical assistance to help Venezuela establish LNG capability, while in the meantime processing Venezuela's share of the gas in TT, appears not to have been well received in Caracas.

Balancing Act

¶8. (SBU) Comment: TT has traditionally been careful not to needlessly irritate its powerful neighbor, but has also worked at keeping a wary distance from getting roped into selling oil and gas to Caricom partners at a discount,

preferring instead to contribute to a Caricom Petroleum Fund from which its partners can draw to finance social programs. Baldwin Spencer's remarks suggest that TT's Caricom partners are less irritated with TT's unwillingness to match PetroCaribe terms and, perhaps, more cognizant of the risk of putting all of their energy security eggs into one basket. In turn, Manning's views on PetroCaribe have not changed, and he appears skeptical that Chavez' overture at the PetroCaribe summit in Cuba would lead to any tangible progress on his energy agenda with Venezuela. End Comment.
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